

2006-07
**A RESOLUTION OF THE WARRICK COUNTY COUNCIL
AUTHORIZING A TAX PHASE-IN PROGRAM AND
ESTABLISHING GUIDELINES**

WHEREAS, the Indiana General Assembly has provided, through IC 6-1.1-12.1 et. seq., the mechanism for Indiana counties to offer a program of tax phase-in on improvements to buildings and structures, new manufacturing equipment and new research and development equipment; and

WHEREAS, Warrick County, Indiana desires to utilize a program of tax phase-in for economic development projects within Warrick County, Indiana; and

WHEREAS, to utilize the tax phase-in program, the Warrick County Council must find that a proposed redevelopment or rehabilitation project, acquisition and installation of new manufacturing equipment or new research and development equipment can reasonably be expected to create benefits which will justify the deductions allowed in IC 6-1.1-12.1 et. seq., and it must also find that the specific geographic area within the County meets the criteria for an "Economic Revitalization Area" as defined in IC 6-1.1-12.1-1(1) and adopt a resolution declaring the area to be an "Economic Revitalization Area" for a tax deduction for either "new manufacturing equipment", "new research and development equipment" (as defined in IC 6-1.12.1-1(3)), for "real property" [as defined in IC 6-1.1-12.1-1(4)], or all; and

WHEREAS, the Resolution declaring an "Economic Revitalization Area" may also limit the time period to a certain number of calendar years during which the area shall be so designated; and

WHEREAS, after approval of a Resolution declaring an "Economic Revitalization Area", the Warrick County Council shall publish notice of the adoption and substance of said Resolution, describing the affected area, providing notice that a description of said area is available for inspection in the County Assessor's Office and the Office of the Department of Economic Development, and scheduling a date when the Warrick County Council will hold a public hearing to receive and hear all remonstrances and objections from interested persons; and

WHEREAS, after considering the evidence presented at the public hearing, the Warrick County Council shall take final action determining whether the requirements for an "Economic Revitalization Area" have been met and confirming, modifying or rescinding the Resolution; and

WHEREAS, the Warrick County Council is desirous of establishing guidelines for the administration of the tax phase-in program in Warrick County, Indiana.

NOW, THEREFORE, BE IT RESOLVED by the County Council of Warrick County, Indiana, as follows:

Section 1. APPLICATION PROCESS.

A person seeking declaration of an area as an "Economic Revitalization Area" shall file a Statement of Benefits (for Redevelopment or Rehabilitation of Property, New Manufacturing Equipment and/or New Research and Development Equipment) and an Application with the Department of Economic Development on the form or forms which may be prescribed by the

Department of Economic Development, Warrick County Council and/or the State Board of Tax Commissioners. The Application must be filed with Department of Economic Development ("Department"), prior to commencement of the project or the ordering of any equipment. "Commencement of the Project" shall mean prior to the issuance of a building permit for real estate improvements. "Ordering equipment" shall mean issuance of the purchase order for equipment or other commitment to purchase or obtain the equipment by the applicant.

- A. Submission Requirements. Said Application shall be submitted in a quantity as may be specified by the Department. For projects seeking tax phase-in for real estate improvements, a site plan shall also be submitted, which shows all buildings, parking areas, driveways, etc.
- B. Resolution Requirements. The Department shall prepare the Preliminary and Confirming Resolutions for each tax phase-in project. Said resolutions shall include the information required by IC 6-1.1-1 2.1 et. seq., including the legal description or other suitable description of the property being designated as an Economic Revitalization Area; the length of time during which the Economic Revitalization Area designation shall be in effect (generally to include two (2) complete tax years and ending on March 1); whether the designation is for real estate improvements, new manufacturing equipment or new research and development equipment; and the length of deduction.
- C. Staff Review. The Department shall review each application for completeness and accuracy, gather and provide additional information needed by the County Council to make an appropriate decision, analyze the application and supplemental material and comment generally on the acceptability of the request for Economic Revitalization Area declaration. The Department shall assess the impact of phase-in on the feasibility of the project. The Department shall score the application based on the applicable Tax Phase-In Scoring established and attached as Exhibit A. This score will be used only as a guide by County Council to determine a maximum allowable phase-in term. The Department and the County Council shall review the scoring system at least annually.
- D. Recommendation of Economic Development Advisory Council. Before an application and resolution is submitted to the County Council, the Department shall present application and scoring to the Economic Development Advisory Council for its review and recommendation.
- E. It is highly recommended that a representative for the project and/or legal counsel be present and prepared to speak about the proposed project at each Warrick County Council and Economic Development Advisory Council meetings where the request for tax phase in for the project is on the agenda.

Section 2. GENERAL STANDARDS AND REQUIREMENTS

- A. Declaration of an "Economic Revitalization Area" will be considered for projects in the following categories:
 - i. Manufacturing;
 - ii. Warehousing and distribution;
 - iii. New research and/or high technology facilities;
 - iv. Renovation of vacant manufacturing facilities;
 - v. Office buildings;
 - vi. Recreational and commercial (retail) facilities as defined in IC 6-1.1-12.1-3(e) that are located in an Economic Development Target Area which have been

- designated by the Economic Development Commission and the County Council pursuant to IC 6-1.1-12.1-7;
- vii. New Manufacturing Equipment; and
 - viii. New Research and Development Equipment.

B. An application for declaration as an Economic Revitalization Area shall meet one or more of the following criteria:

- i. The property, or area, is undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings or other factors which have impaired values or prevent a normal development or use of property.
- ii. A property or area which includes a facility or a group of facilities that are technologically, economically, or energy obsolete and where the obsolescence may lead to a decline in employment and tax revenues.

C. An application shall also address at least one of the following development objectives:

- i. Generate the use of vacant or underutilized land
- ii. Rehabilitate or replace obsolete, deteriorated, vacant or underutilized buildings
- iii. Retain or expand job opportunities
- iv. Preserve historically or architecturally significant properties

D. Exclusions. Certain areas of the County have been, or may in the future be, designated as "tax allocation areas" pursuant to IC 36-7-14-39, through the adoption of redevelopment plans with tax increment financing provisions. Areas within a "tax allocation area" shall not be considered for declaration as an "Economic Revitalization Area" unless said tax phase-in is approved by a resolution of the Warrick County Redevelopment Commission. At the time of the adoption of this resolution, the following areas of the County were designated as "tax allocation areas".

- Epworth Road Economic Development Area
- State Route 62 Economic Development Area

Section 3. TAX DEDUCTION -- REAL ESTATE

A. Application. Pursuant to IC 6-1.1-12.1-5, the owner of property which has been declared to be an "Economic Revitalization Area" and who desires to obtain the tax deduction provided by IC 6-1.1-12.1-3 for "property" must file a certified deduction application, on forms prescribed by the State Board of Tax Commissioners, with the County Auditor before May 10 [except as otherwise provided in IC 6-1.1-12.1-5(b) or (e)] of the year in which the addition to the assessed value is made.

B. Length of Deduction.

- i. For projects for which the Statement of Benefits was approved July 1, 2000, or after except as provided in IC 6-1.1-12.1-3 (a), for redevelopment or rehabilitation is eligible for a deduction from the increase in assessed value for a period of one (1) to ten (10) years.
- ii. For projects for which the Statement of Benefits was approved before July 1,

2000 for redevelopment or rehabilitation is eligible for a deduction from the increase in assessed value for periods of three (3), six (6), or ten (10) years.

Section 4. TAX DEDUCTION -MANUFACTURING EQUIPMENT

- A. Application. Pursuant to IC 6-1.1-12.1-5.5, the owner of property which has been declared to be an "Economic Revitalization Area" and who desires to obtain the tax deduction provided by IC 6-1.1-12.1-4.5 for "new manufacturing equipment" must file a certified deduction application, on forms prescribed by the State Board of Tax Commissioners with the County Auditor and with the State Board of Tax Commissioners. A deduction application must be filed in the year in which the new manufacturing equipment is installed and in each of the following years for which abatement is sought.
- B. Length of Deduction.
 - i. For projects for which the Statement of Benefits was approved July 1, 2000, or after except as provided in IC 6-1.1-12.1-4.5 (g), an owner of new manufacturing equipment is eligible for a deduction from the assessed value of that equipment for a period of one (1) to ten (10) years.

Section 5. TAX DEDUCTION -NEW RESEARCH AND DEVELOPMENT EQUIPMENT

- A. Application. Pursuant to IC 6-1.1-12.1-5.5, the owner of property which has been declared to be an "Economic Revitalization Area" and who desires to obtain the tax deduction provided by IC 6-1.1-12.1-4.5 for "new research and development equipment" must file a certified deduction application, on forms prescribed by the State Board of Tax Commissioners with the County Auditor and with the State Board of Tax Commissioners. A deduction application must be filed in the year in which the new research and development equipment is installed and in each of the following years for which phase-in is sought.
- B. Length of Deduction.
 - i. For projects for which the Statement of Benefits was approved July 1, 2000, or after except as provided in IC 6-1.1-12.1-4.5(g), an owner of new research and development equipment is eligible for a deduction from the assessed value of that equipment for a period of one (1) to ten (10) years.

Section 6. SUBSEQUENT STATEMENTS OF BENEFITS

In the event that a business decides to initiate an additional investment which was not included in its tax phase-in application and is of the same type of investment (real estate improvements, new manufacturing equipment or research and development equipment) for which the Economic Revitalization Area was designated and said designation is still in effect, the business shall submit a new Statement of Benefits form to the Department before initiating (as discussed in Section 1.) the additional investment. The Department shall prepare a resolution for County Council action to approve the subsequent Statement of Benefits.

Section 7. COMPLIANCE WITH STATEMENT OF BENEFITS

- A. Required Submission. Projects for which the Statement of Benefits was approved after June 30, 1991 are required by IC 6-1.1-12.1-5.1 and 5.6 to submit information showing the extent to which there have been reasonable efforts to substantially comply with the Statement of Benefits. Within forty-five (45) days from receipt of the information concerning compliance with a Statement of Benefits, the County Council may determine whether the property owner seeking tax phase-in has made reasonable efforts to substantially comply with the Statement of Benefits previously approved by the County Council.
- B. Compliance Review. Upon receipt of Form CF-1 concerning compliance with a Statement of Benefits, the Department shall prepare a Compliance Review Sheet comparing projected investment in real estate, new manufacturing equipment and/or new research and development equipment and job retention and/or creation on the Statement of Benefits with actual investment and employment information supplied concerning compliance with the Statement of Benefits. If it does not appear that the taxpayer made reasonable efforts to substantially comply with the Statement of Benefits, the Department shall contact the taxpayer to obtain additional information as to the reasons that taxpayer did not substantially comply with Statement of Benefits, whether the taxpayer made reasonable efforts to substantially comply, and whether any failure to comply was caused by factors beyond the control of the taxpayer. The Department shall transmit the Compliance Review Sheet to the County Council President.
- C. County Council Review. The County Council is responsible for reviewing the Compliance Review Sheets; making determinations as to whether a taxpayer has made reasonable efforts to substantially comply with its Statement of Benefits; and holding hearings for those taxpayers who do not appear to have made reasonable efforts to substantially comply with their Statement of Benefits. If the County Council determines that the taxpayer has not made reasonable efforts to substantially comply with the Statement of Benefits, it shall establish a date for a compliance hearing. It is highly recommended that a representative for the taxpayer and/or legal counsel be present and prepared to speak about the compliance at each Warrick County Council meeting or hearing where taxpayer's compliance is on the agenda.
- D. Hearing Notice. For those projects for which the County Council has established a compliance hearing date, the Department shall prepare a written notice which shall be sent to the taxpayer by Certified Mail, Return Receipt Requested, and if the project includes new manufacturing equipment or research and development equipment, to the State Board of Tax Commissioners. Said notice shall include the information required by IC 6-1.1-12.1-5.9.
- E. Resolution to Terminate Deduction. For those projects for which a compliance hearing is scheduled, the Department shall prepare and file a resolution to terminate deduction.
- F. Compliance Hearing. On the scheduled hearing date the County Council shall conduct a compliance hearing to determine whether the property owner has made reasonable efforts to substantially comply with the Statement of Benefits and whether any failure to comply was caused by factors beyond the control of the taxpayer.
- G. County Council Determination.

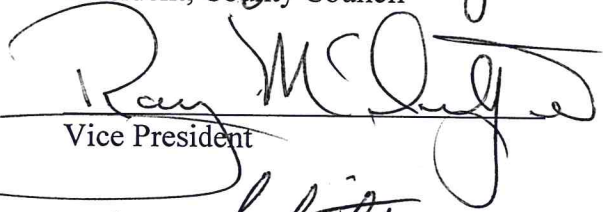
- i. If the County Council determines that the taxpayer did not make reasonable efforts to substantially comply with the Statement of Benefits and that such failure to comply was not caused by factors beyond the control of the taxpayer, the County Council shall terminate the deduction.
 - ii. If the County Council determines that the taxpayer did make reasonable efforts to substantially comply with the Statement of Benefits or that failure to comply was caused by factors beyond control of the taxpayer, the County Council shall make a "Do Pass" not to terminate the deduction.
- H. County Council Action. If the resolution to terminate the deduction is adopted by the County Council, the Department shall transmit copies of the resolution to the taxpayer, the Warrick County Auditor and, if the deduction was for new manufacturing equipment, to the State Board of Tax Commissioners.

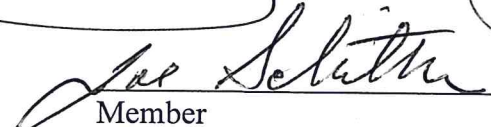
Section 8. EFFECTIVE DATE AND DURATION

This resolution shall be in full force and effect from and including the date of its passage by the County Council, and advertisement, if any, all as may be required by law.

PASSED BY THE COUNTY COUNCIL of Warrick County, on the 4 day of May, 2006, and on said day signed by the President of the County Council and attested by the County Auditor.


President, County Council


Vice President


Member


Member


Member


Member

ATTEST:

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